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# HOUSE BILL No. 1624

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-11-9; IC 6-1.1-21.3.

**Synopsis:** Payments in lieu of taxes. Establishes a payment in lieu of property taxes (PILOT) payable by the department of natural resources on land owned by the department based on the amount of property taxes that would apply if the land were not exempt. Establishes the PILOT transfer fund, and makes appropriations.

**Effective:** Upon passage; January 1, 2007 (retroactive).

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## Oxley, Koch

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January 23, 2007, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

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## HOUSE BILL No. 1624

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A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-1.1-11-9 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]:  
3 Sec. 9. (a) Except as provided in subsection (b) of this section, all  
4 property otherwise subject to assessment under this article shall be  
5 assessed in the usual manner, whether or not it is exempt from taxation.

6 (b) **Except as provided in IC 6-1.1-21.3-5**, no assessment shall be  
7 made of property which is owned by the government of the United  
8 States, this state, an agency of this state, or a political subdivision of  
9 this state if the property is used, and in the case of real property  
10 occupied, by the owner.

11 SECTION 2. IC 6-1.1-21.3 IS ADDED TO THE INDIANA CODE  
12 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
13 JANUARY 1, 2007 (RETROACTIVE)]:

14 **Chapter 21.3. Payments in Lieu of Property Taxes**

15 **Sec. 1. As used in this chapter, "department" refers to the**  
16 **department of natural resources.**

17 **Sec. 2. As used in this chapter, "PILOT" refers to a payment in**



lieu of property taxes.

**Sec. 3. A county is entitled to a PILOT from the department for land in the county that is:**

- (1) owned or leased by the department on March 1 of the previous year; and
- (2) exempt from the payment of property taxes.

**Sec. 4. The department shall make a PILOT to each county that is entitled to receive a PILOT under section 3 of this chapter at the time the PILOT is due under section 7 of this chapter.**

**Sec. 5. (a) The township assessors shall assess the land described in section 3 of this chapter as though the land were not exempt from the payment of property taxes.**

**(b) The PILOT required to be paid for a year under section 4 of this chapter for land described in section 3 of this chapter, regardless of how the land is used, equals the product of:**

- (1) the assessed valuation of the land determined under subsection (a); and
- (2) the net property tax rate (after application of the property tax replacement credit) in the taxing district in which the land is located for property taxes payable in the year in which the PILOT is payable.

**Sec. 6. (a) Not later than September 1 of each year, the auditor of state shall provide the township assessor of each township in which land described in section 3 of this chapter is located with a report of:**

- (1) the number of acres of land described in section 3 of this chapter that are located in the township;
- (2) the parcel numbers or key numbers of the land referred to in subdivision (1); and
- (3) any other information required by the department of local government finance.

**(b) The auditor of state shall provide the report required by subsection (a):**

- (1) on a form prescribed by the department of local government finance; or
- (2) with the consent of the department of local government finance, in an electronic format.

**Sec. 7. A PILOT:**

- (1) is billed;
- (2) is due;
- (3) bears interest if unpaid; and
- (4) is distributed to a political subdivision in a county;

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1 in the same manner as ad valorem property taxes. A PILOT is  
 2 otherwise treated in the same manner as an ad valorem property  
 3 tax for purposes of the procedural and substantive provisions of  
 4 law.

5 **Sec. 8. The department of local government finance:**

6 (1) shall prescribe a form for the report required under  
 7 section 6 of this chapter; and

8 (2) may adopt standards for the reporting of information  
 9 under section 6 of this chapter that are necessary to assist:

10 (A) townships;

11 (B) counties; and

12 (C) conservancy districts;

13 with the implementation of this chapter.

14 **Sec. 9. (a)** The PILOT transfer fund is established to provide  
 15 money for the distributions for PILOTS made by the department  
 16 under section 4 of this chapter. The auditor of state shall  
 17 administer the fund.

18 (b) The expenses of administering the fund shall be paid from  
 19 money in the fund.

20 (c) The treasurer of state shall invest the money in the fund not  
 21 currently needed to meet the obligations of the fund in the same  
 22 manner as other public money may be invested.

23 (d) Money in the fund at the end of a state fiscal year does not  
 24 revert to the state general fund.

25 **Sec. 10.** There is annually appropriated from the state general  
 26 fund to the PILOT transfer fund established by section 9 of this  
 27 chapter the amount necessary to make the distributions required  
 28 by this chapter.

29 **Sec. 11.** There is continuously appropriated from the PILOT  
 30 transfer fund established by section 9 of this chapter an amount  
 31 necessary to make the distributions required by this chapter.

32 **SECTION 3. [EFFECTIVE UPON PASSAGE]** (a) A payment in  
 33 lieu of taxes is first due under IC 6-1.1-21.3, as added by this act,  
 34 on May 1, 2008.

35 (b) In cooperation with the auditor of state, the department of  
 36 local government finance shall, not later than August 1, 2007,  
 37 prescribe a form for the auditor of state to report the information  
 38 needed to carry out IC 6-1.1-21.3-6, as added by this act.

39 (c) This SECTION expires January 1, 2009.

40 **SECTION 4.** An emergency is declared for this act.

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